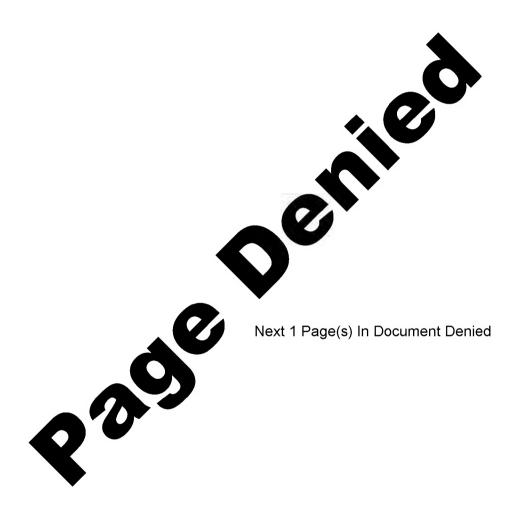
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6 October 1980

# MEMORANDUM

IRAN-IRAO: THE ARABESTAN OPTION

## Summary

Support for the idea of Arabestan--an Arab entity, independent of Iran--has been a consistent theme in Iraq's approach to the Khomeini regime. Arabestan would comprise the Arab-populated areas of Khuzestan Province and the Iranian Persian Gulf coast, possibly as far as Bushire. Its realization is one of Baghdad's options for continuing pressure on Iran. Significant support for the invasion has not developed among the Arab population of Khuzestan, but the Iranian Arabs would probably accept an Iraqi-backed government if they felt secure from Iranian retaliation.

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The Khuzestan and northeastern Gulf coastal area--known as Arabestan--was almost always under Arab control from the time of the first Muslim conquerors of Persia in the mid-7th century until it was incorporated into Persia during the Safavid Dynasty (1502-1736). Its status as a part of Persia/Iran has been recognized by the international community ever since, but during periods of weakness in the central government, local Arab leaders enjoyed considerable autonomy. The paramount sheikh often was able to deal with Tehran almost as an equal.

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Before the 1975 Algiers Accord ostensibly ended the Iran-Iraq conflict over the location of the western border of Khuzestan, Baghdad used the concept of Arabestan to harass the Shah's regime and encourage Arab dissidence in southwest Iran. After 1975, the Arabestan theme disappeared from Iraqi propaganda. Baghdad decreased, but did not cut completely its ties with Iranian Arab dissident groups.

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The bulk of the Iranian Arab population has strong cultural and kinship ties with Arabs in Iraq and other Gulf states. The Arabs are not integrated into Iranian society. Although they have made progress in education and social welfare in recent years, deeply rooted Persian prejudices continue to limit their prospects. Arabs occupy the lowest socio-economic stratum in the local society: they are poorly paid, poorly represented in technical and managerial positions, and all but excluded from the provincial administration and the security forces' officer corps.

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The rise of the Islamic fundamentalists under Khomeini increased Arab alienation. Despite an initially good personal relationship between Khomeini and the aged Arab spiritual leader, Sheikh Khaqani, the new pro-Khomeini authorities ignored the traditional local Arab power structure with which the Shah's representatives had cooperated effectively.

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Like other Iranian ethnic minorities, the Arabs had expected the new regime to grant them a degree of local autonomy. They called for:

- -- greater local say in the use of oil revenues and increased government investment in the area;
- -- an autonomous local government and court system;
- -- representation in the national cabinet and bureaucracy;
- -- changes in local place names to reflect their Arab heritage;
- -- preferences for Arabs seeking positions in the local bureaucracy and oil industry;
- -- use of Arabic as the area's official language and in the schools and local press.

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The government's failure to respond positively prompted serious demonstrations and sabotage in the Arab regions in the first half of 1979. Baghdad, which had discovered that its relations with Khomeini would not be good, began a low-level propaganda campaign to encourage Arab dissidence.

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A strong administration by then provincial governorgeneral Madani, the removal to Qom under "protective custody" of Sheikh Khaqani, and payoffs to other local leaders effectively ended the Arab clashes by mid-summer. Subsequent sabotage in the area has probably been the work of Iraqi or radical Palestinian agents, a few Arab dissidents, or Iranian leftists.

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# Arabestan Now?

The current Iran-Iraq conflict has made the creation of Arabestan a real consideration for Iraq's Saddam Hussein. Iraqi troops would face a lengthy occupation of the Khuzestan area if the Khomeini regime continues to refuse to negotiate. Baghdad will need to find a way to secure Iraq's border claims there in the absence of a direct agreement with Tehran.

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Saddam Hussein surfaced the idea of an independent or autonomous Arabestan late last month when he told a visiting Jordanian delegation that the future status of Khuzestan's Arabs was an issue for all Arabs to decide. He said Iraq would act as the protector of an Arabestan entity if the people of Khuzestan chose autonomy and other Arab states approved.

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Iraq would need a pan-Arab cover to help insulate itself from international criticism of de facto Iraqi control of Iranian territory and Saddam seems to be probing for indications of wider Arab receptivity. Other Arab states may find it difficult to resist a call for special treatment for Iranian Arabs, especially in the emotional context of the latest round of the centuries old Arab-Persian dispute over the status of this region.

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Iraq seems to have three basic choices for the territory of an Arab entity:

- -- The area in which Iraqi forces are now operating:
   a region covering the Western half of Khuzestan
   Province and including Abadan and Khorramshahr- possibly backed by a separate "liberated zone" to
   the north along the Iran-Iraq border.
- -- The whole of Khuzestan Province.
- -- The whole of Khuzestan Province and the coastal area of neighboring Khalij-e Fars Governate to the port of Bushehr.

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The first option is artifical and its Arab leaders would be most clearly creatures of Baghdad. It would include the major Arab populations around Abadan and Khorramshahr, but exclude the "rightful Arab" oil and agricultural resources of Khuzestan and the large Arab population at Ahvaz and the eastern part of the province. Iraq would control the Shatt al Arab and the ports and oil facilities there as well as the road and rail links and pipelines to Tehran that pass near Dezful and Ahvaz.

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The second option would create an Arab entity with more rational geographic and demographic boundaries. Iraq could control most of Iran's oil and gas fields—the chief source of Tehran's income—a river system that provides the largest volume of fresh water available in Iran and a potentially rich agricultural area, as well as the ports through which most of Iran's non-food imports and exports passed. About one—third—mostly urban dwellers—of the 2.2 million residents of the area are not Arabs. Many—especially in the north—are members of other minorities not necessarily loyal to the Khomeini regime.

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The third option would extend the Arab entity to include the Arab population along the northeastern Gulf coast and extend its boundaries to the end of the Mesopotamian Plain. It would complete the mountain barrier along the entity's northern and eastern borders, deprive Tehran of Ganaveh, the land terminal of its off-shore oil fields, and Bushehr, the last significant Iranian military installation north of the Strait of Hormuz. An Arab government of this territory could also lay claim to the northern off-shore oil terminals, but Iraq is not now capable of dominating the waters of the northern Persian Gulf.

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### Local Arab Attitudes

A majority of the Iranian Arabs do not seem to have backed the small dissident groups in Khuzestan supported by Iraq or looked to Baghdad for support in resolving their grievances with the Shah's or Khomeini's regime, much less for liberation.

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Some local Arabs however, are now engaging in anti-Khomeini activity in support of the Iraqi invasion. Dissident groups have reportedly sabotaged some Iranian installations and local groups are welcoming the Iraqi advance, according to Iraqi propaganda. Iran, for its part, has indicated that tribes in the area have been supporting Iranian forces, but Tehran has also issued official warnings to residents of Khuzestan to beware of a local fifth column aiding Iraq.

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Other evidence indicates that some of the Arab populace fled before the Iraqi troops arrived and it is clear that there has been no widespread positive Arab public response to the Iraqi invasion. Urban Arabs are unprepared to defend themselves against pro-Khomeini regular or irregular forces and activists are limited to isolated acts of sabotage. The Arabs' beloved spiritual leader, Sheikh Khaqani, who is still held hostage in Oom to ensure Arab passivity, has issued a statement condemning Iraq. Although it may have been made under duress, there is no evidence that Khaqani has looked to Iraq to advance his flock's interests.

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known dissident Arab groups--who have ties to Iraq, other radical Arab states, and Palestinian groups-- have issued statements in support of Iraq, but they are probably not representative of the general Arab population of southwest Iran.

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The lack of overt positive Arab responses to Iraqi activity is probably defensive. The populace is likely to welcome an autonomous or independent Arab local government if it believes it is safe to do so. Arab alienation from Farsi-speaking Iran and the Khomeini regime is deep as are local desires for broader economic development, self-rule and an end to second class citizenship.

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SUBJECT: IRAN-IRAQ: THE ARABESTAN OPTION

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7 October 1980

## **MEMORANDUM**

#### SAUDI-US RELATIONS

The destabilizing effect of the Iran-Iraq war in the Persian Gulf and the prompt American response to Saudi defense needs has temporarily put US-Saudi relations on a firmer footing. Saudi ambivalence toward the US, however, is likely to reemerge once the crisis recedes, much as it did after last year's Yemens crisis. A more lasting reversal of what has become an increasingly brittle relationship will occur only if the US displays greater responsiveness to Saudi arms demands and does nothing to discourage the Arab moderates and Europeans from seeking a different solution to the Palestinian problem than offered in the Camp David accords.

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The arms relationship takes on added importance now in the absence of progress on the Palestinian issue. Saudis see arms as an appropriate means for the US to:

- --express confidence in the Saudi regime;
- --repay Saudi cooperation on oil;
- --demonstrate its willingness to override Israeli objections on a matter of vital US and Saudi security interests.

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Having just increased production again, the Saudis may reason they have demonstrated once more that they are a far more valuable ally than the Israelis.	25144
The Saudis will expect the US to see things as they do and to be more prepared to sell them the sophisticated weapons they want, especially the F-15 accessories. They will reason that the latest crisis has shown their need to be self-evident. Any training or equipment we offer with less prestige value will not have as strong and lasting a political impact. Moreover, US foot drawn and lasting a	25X1
region.	25 <b>X</b> 1
In short, the tone of our relations over the next year will depend at minimum on our ability to appear responsive to Saudi security needs as they see them. If we fail, the Iran-Iraq war will not have driven Riyadh closer to the US. Instead, the Saudis will be driven to step up their efforts to diversify their arms suppliers and reduce their overall dependence on the US. Their purchase of naval equipment from France and efforts to obtain Pakistani forces to man two armored brigades are two recent examples of their efforts to hedge against overreliance on the US.	25.74
The Palestinian issue, meanwhile, will continue to bedevil our relations no matter what we do. At best, our responsiveness on arms will encourage the Saudis to soft-pedal their opposition to our peace efforts; it will not eliminate Saudi perception that Arab political manning.	25X1
to maintain some distance from the US as long as it so fully backs Israel.	25 <b>X</b> 1
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